

European Labour Market Trends

January 2025

Indeed Hiring Lab

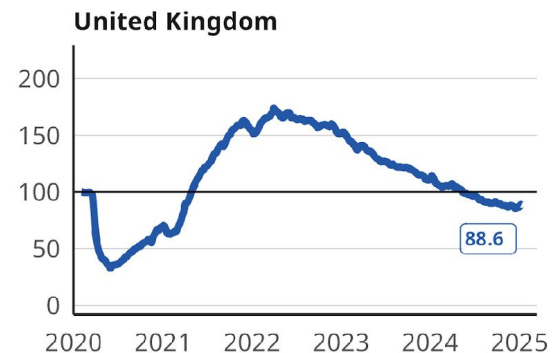
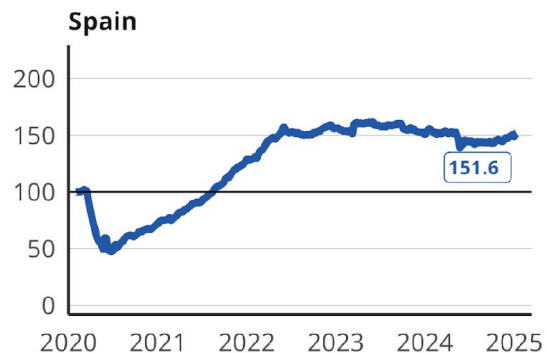
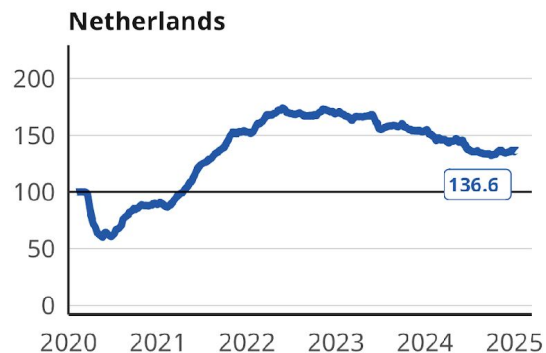
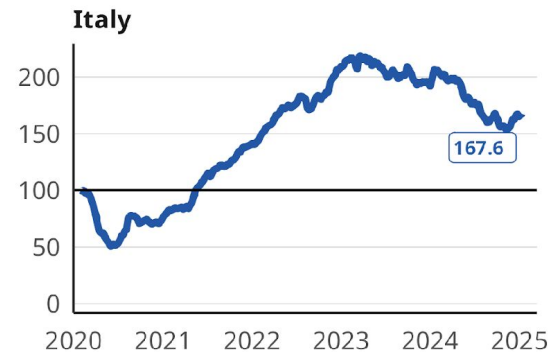
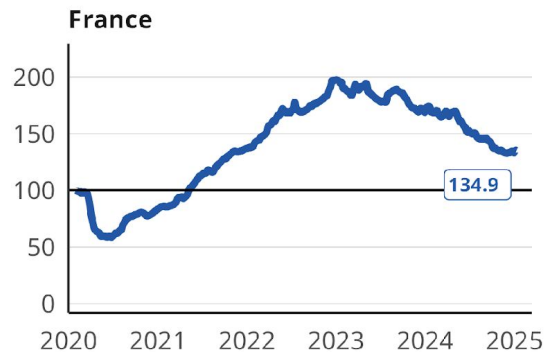


Europe: labour market overview

- Job postings, while declining, largely remain above pre-pandemic levels and are falling at a slower rate.
- The share of occupational sectors in which postings are still higher than before the pandemic has decreased.
- High-remote, high-wage sectors have generally seen the largest decreases in postings.
- Remote work has reached a plateau in most countries, and is declining in some.
- AI terms appear in more than 2% of job postings in most European countries, and more than 5% in Ireland.
- Economic sentiment is low and employment expectations are decreasing in most countries.
- Redundancies are down from their peaks in Italy, France and the UK.
- Wage growth remains strong and appears to be stabilising.

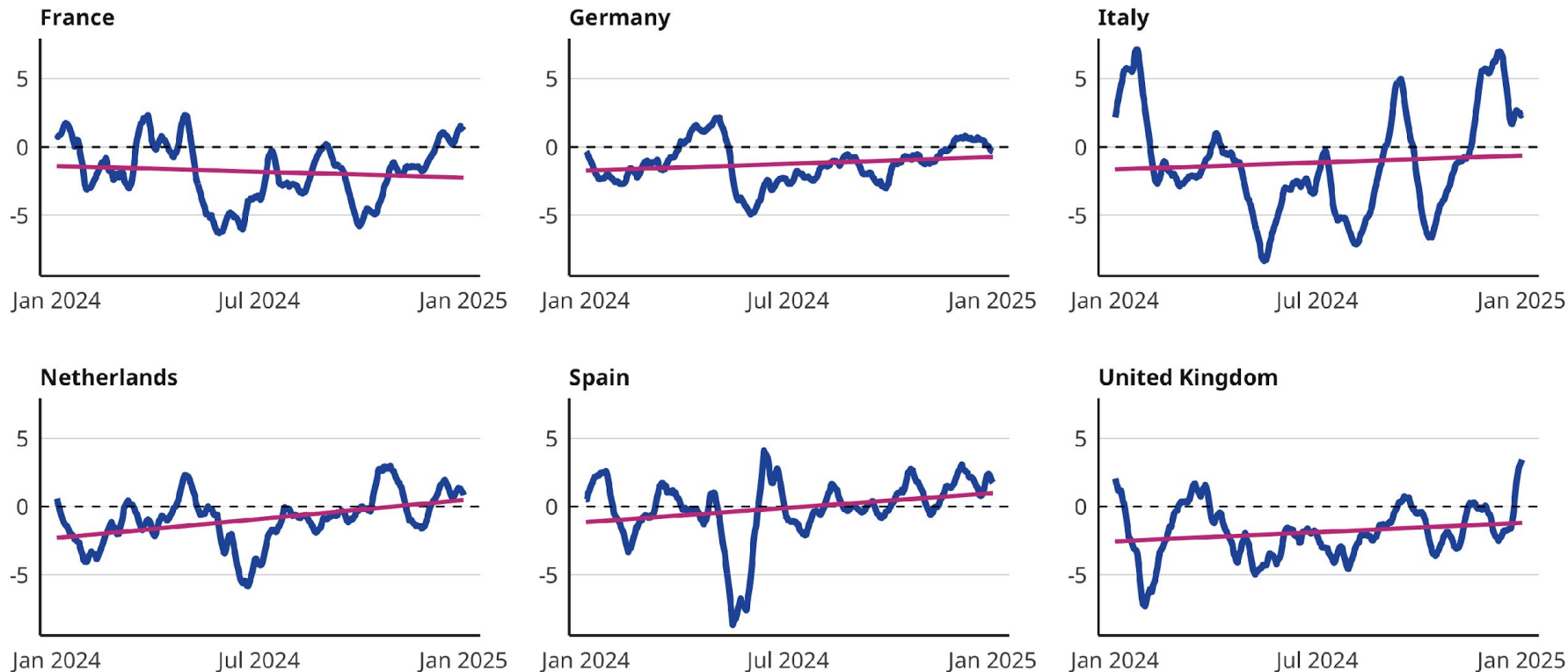
Job postings still on a downward trend, but stabilising

Indeed Job Postings Index (100 = 01 Feb 2020), seasonally adjusted, to 10 Jan 2025



The pace of decline is slowing in several markets

Month-on-month growth rates in the Indeed Job Postings Index, seasonally adjusted, 10 Jan 2024 - 10 Jan 2025

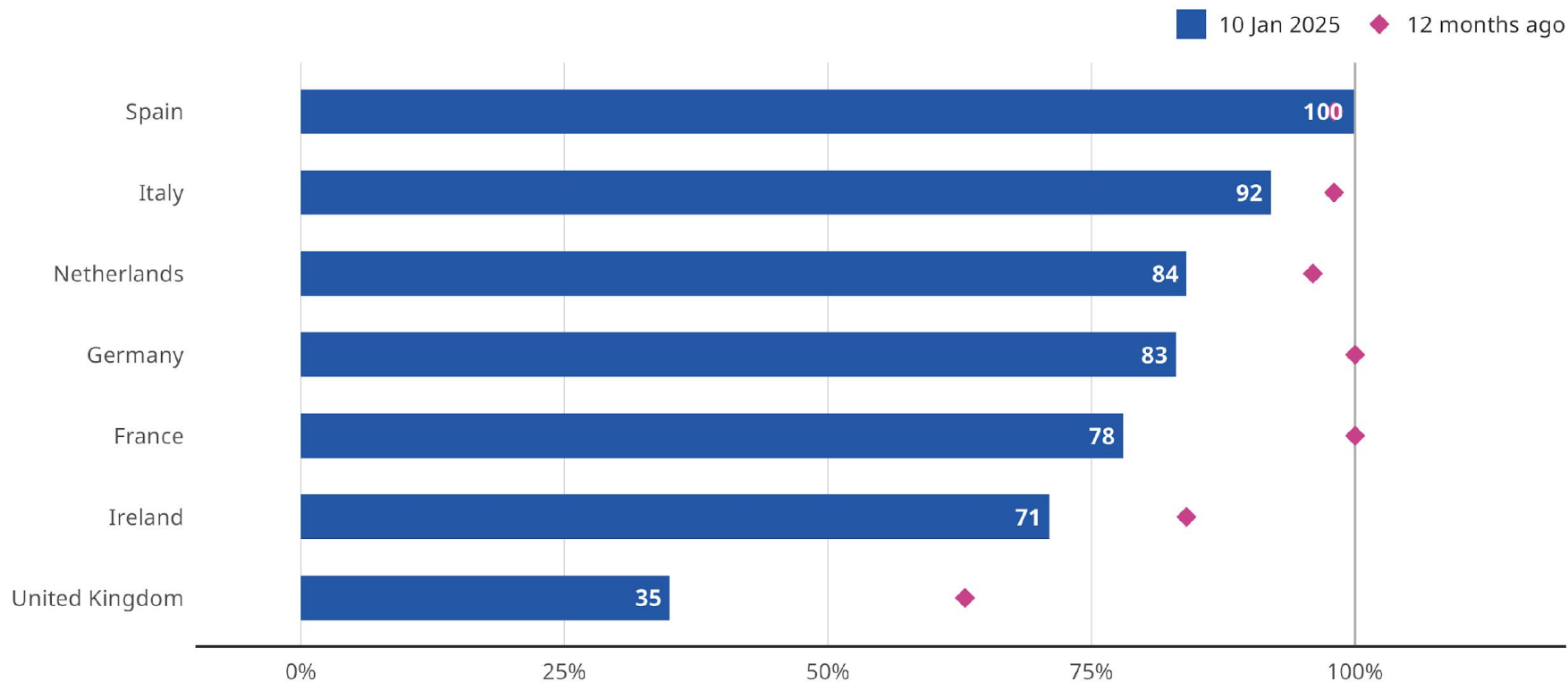


Source: Indeed



The share of sectors with elevated job postings continues to decline

Share of occupational categories with postings above the pre-pandemic baseline (01 Feb 2020)

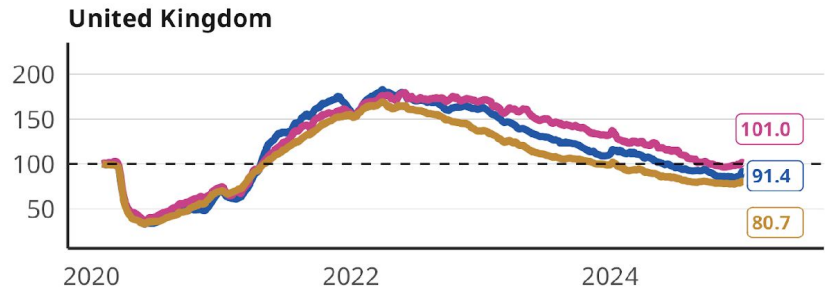
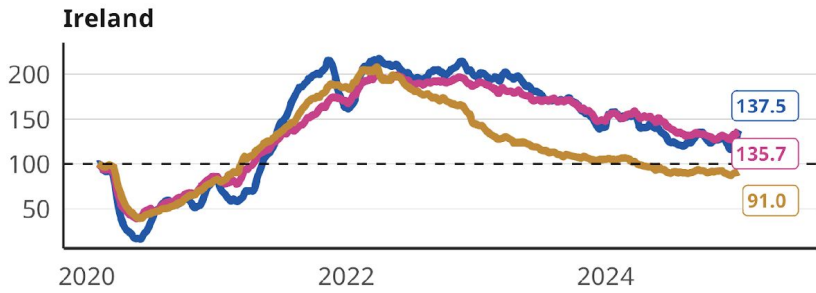
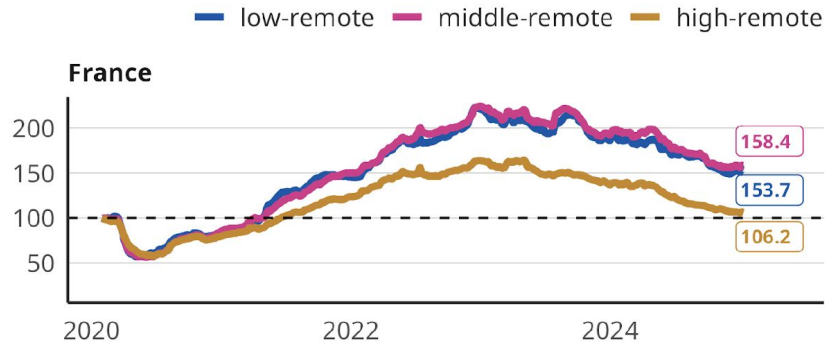
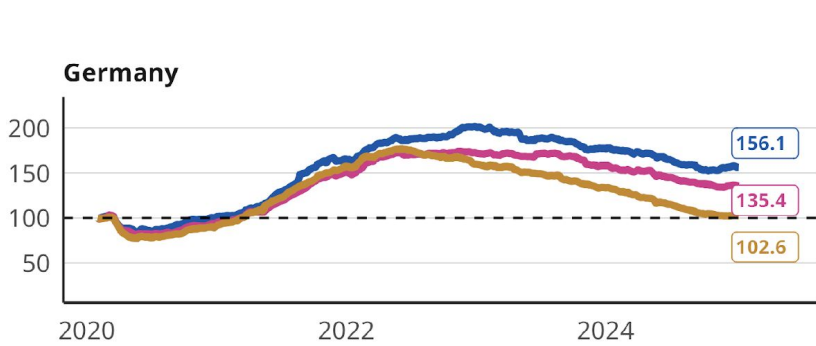


Source: Indeed



Postings are weakest in high-remote sectors

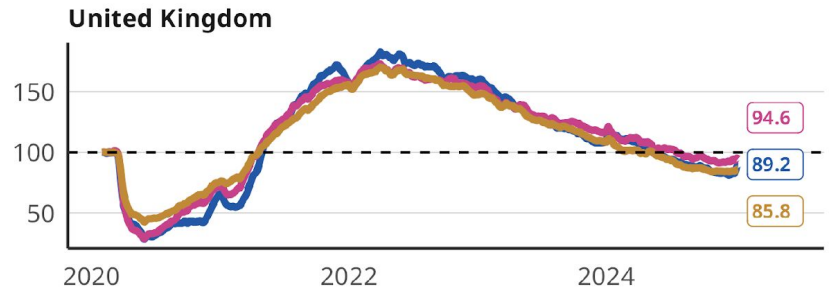
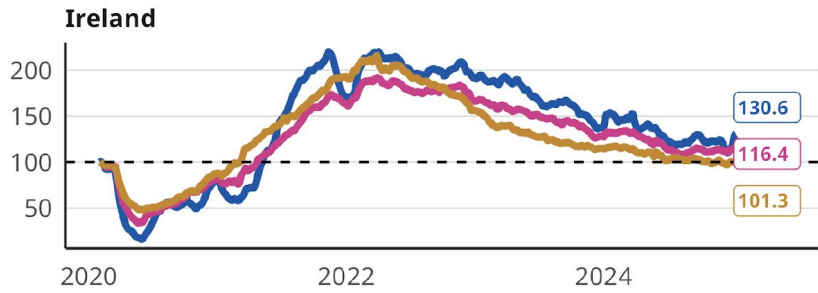
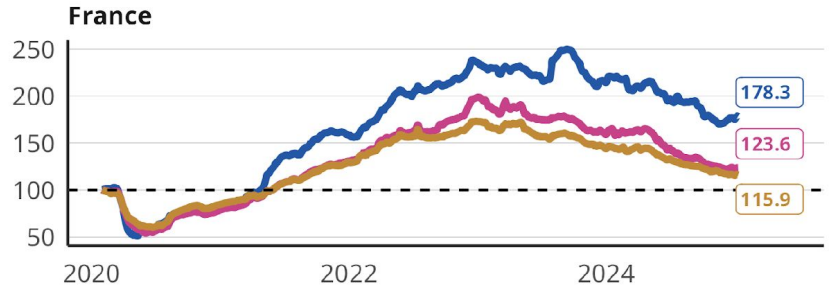
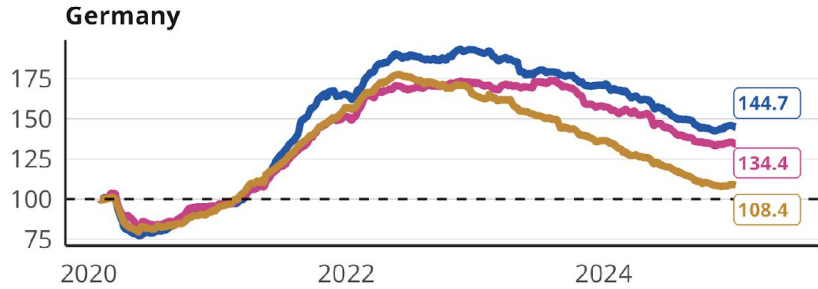
Index 100 = Feb 2020, seasonally adjusted, to 10 Jan 2025



High-wage sectors experienced the strongest decrease in postings

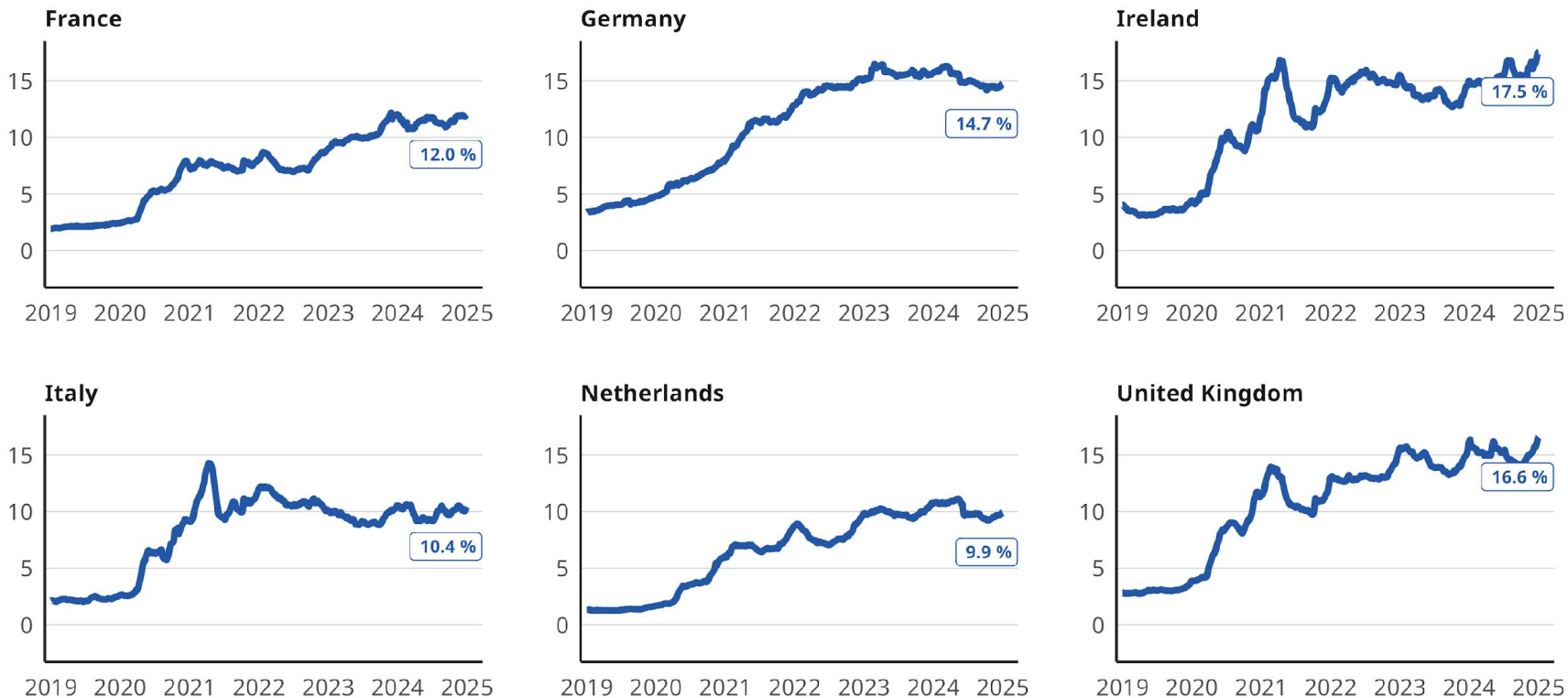
Index 100 = Feb 2020, seasonally adjusted, to 10 Jan 2025

— low-wage — middle-wage — high-wage



Remote work remains high but has dipped from its peak in some areas

Share (%) of job postings mentioning remote/hybrid terms, to December 2024

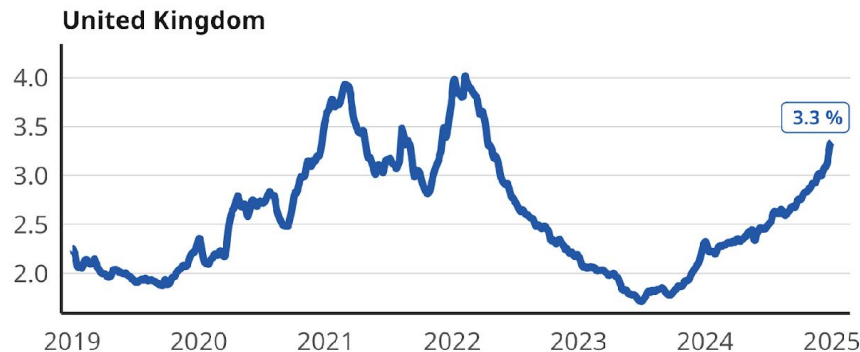
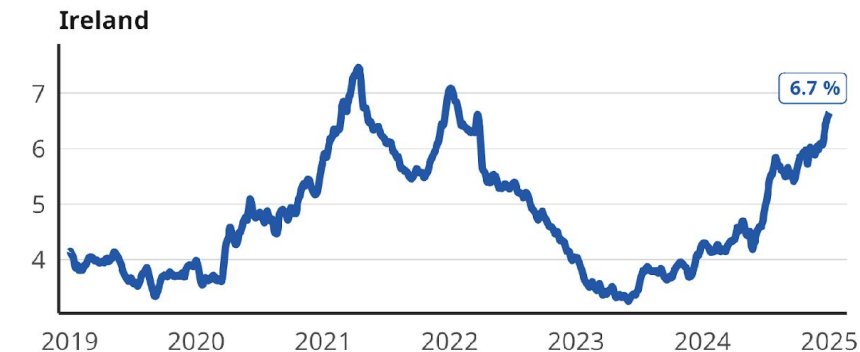


Source: Indeed. Cross-country level differences are partly due to differences in sector composition.



The share of AI jobs is somewhat recovering from last year's lows

Percentage (%) of job postings containing AI terms, 7-day moving average, to December 2024

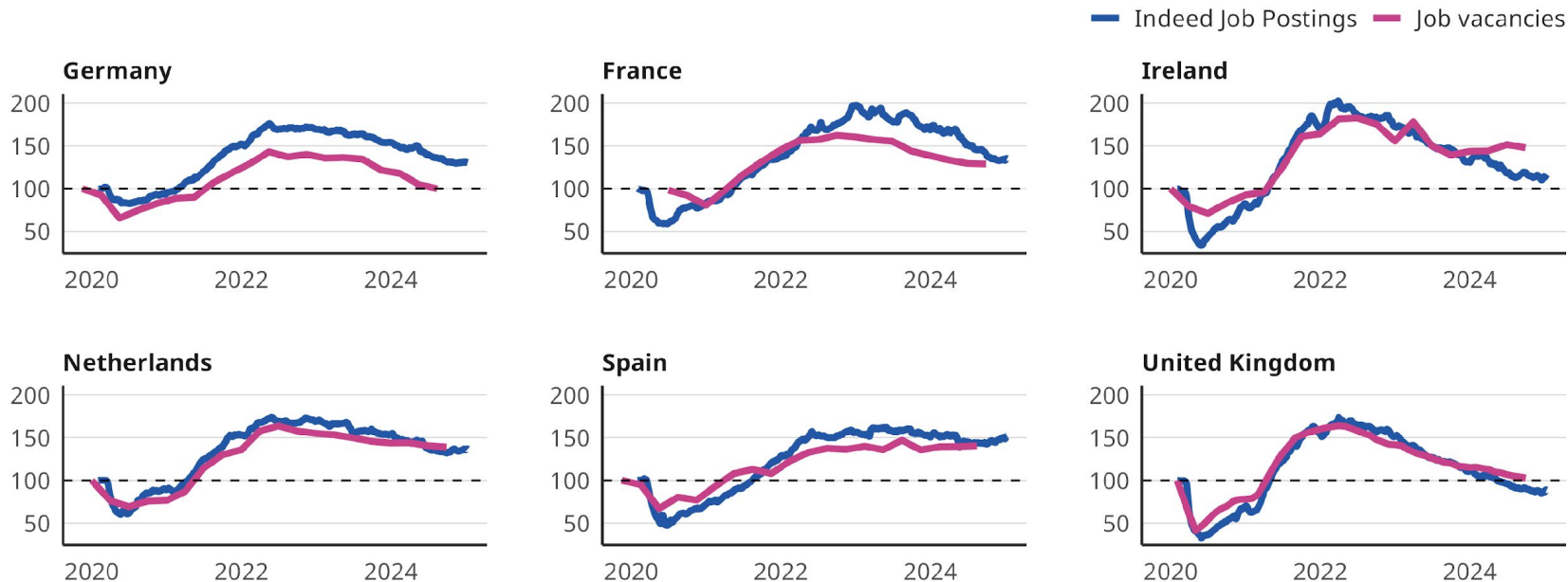


Source: Indeed. Cross-country level differences are partly due to differences in sector composition.



Indeed job postings and official job vacancy data track each other well

Job postings and official vacancies, indexed and seasonally adjusted, to 10 Jan 2025

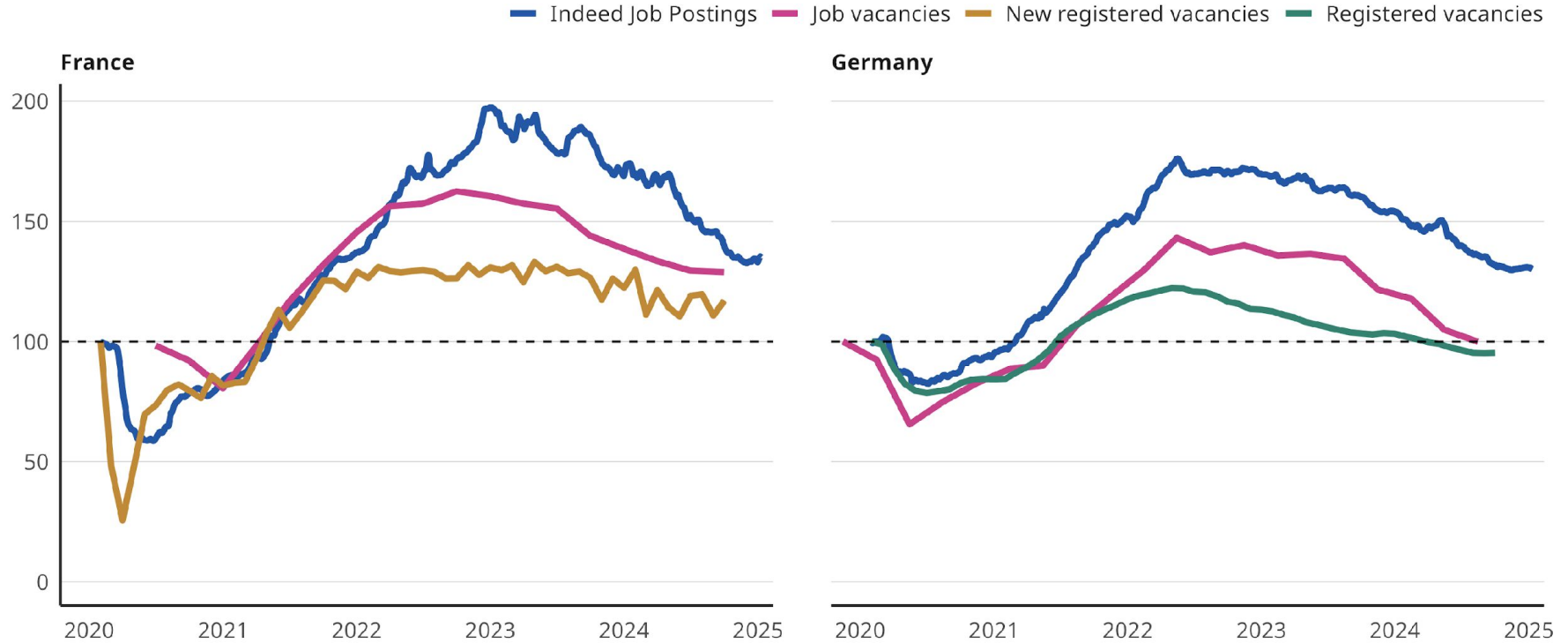


Source: Indeed, Eurostat (Germany, France, Spain, Ireland, Netherlands; quarterly data, to Q3 2024), ONS (United Kingdom; monthly data, to Oct 2024). Index 100 = Feb 2020 for Indeed and ONS data. Index = Q4 2019 for Eurostat data. Missing value in French data for Q1 2020. Eurostat data is survey-based and refers to NACE-Rev. 2 sectors B-S (French data excludes sector O (public administration) as well as public jobs in P (education) and Q (human health/social work)).



Alternative measures of job vacancies show similar declining trends

Indeed job postings and official vacancy data, seasonally adjusted, to 10 Jan 2025

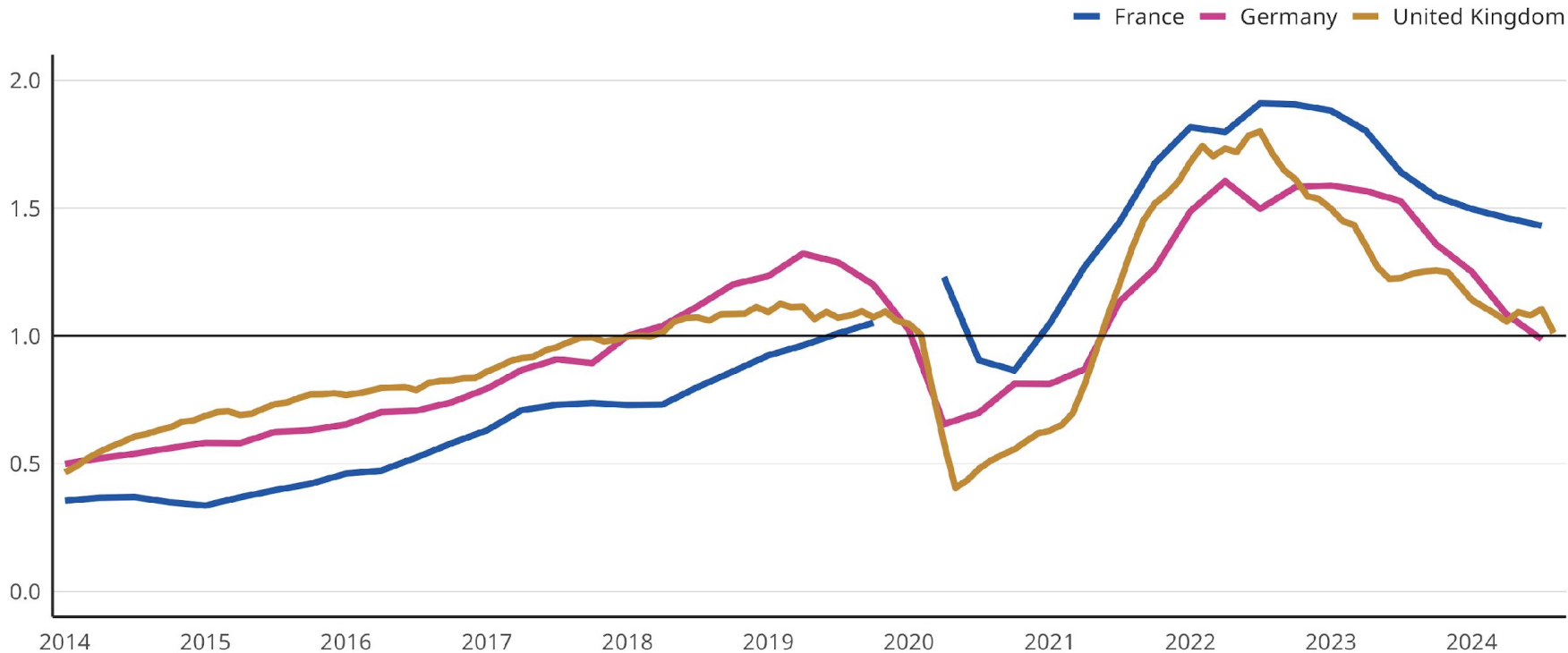


Sources: Indeed, Eurostat (Job vacancies, quarterly data, to Q3 2024, missing value in French vacancy data for Q1 2020), OECD (Registered vacancies, monthly data, to Oct 2024). Index 100 = Feb. 2020 for Indeed and OECD data. Index = Q4 2019 for Eurostat data.



Labour markets are gradually loosening in major European economies

Vacancies per unemployment, normalised to their long-term mean, seasonally adjusted data

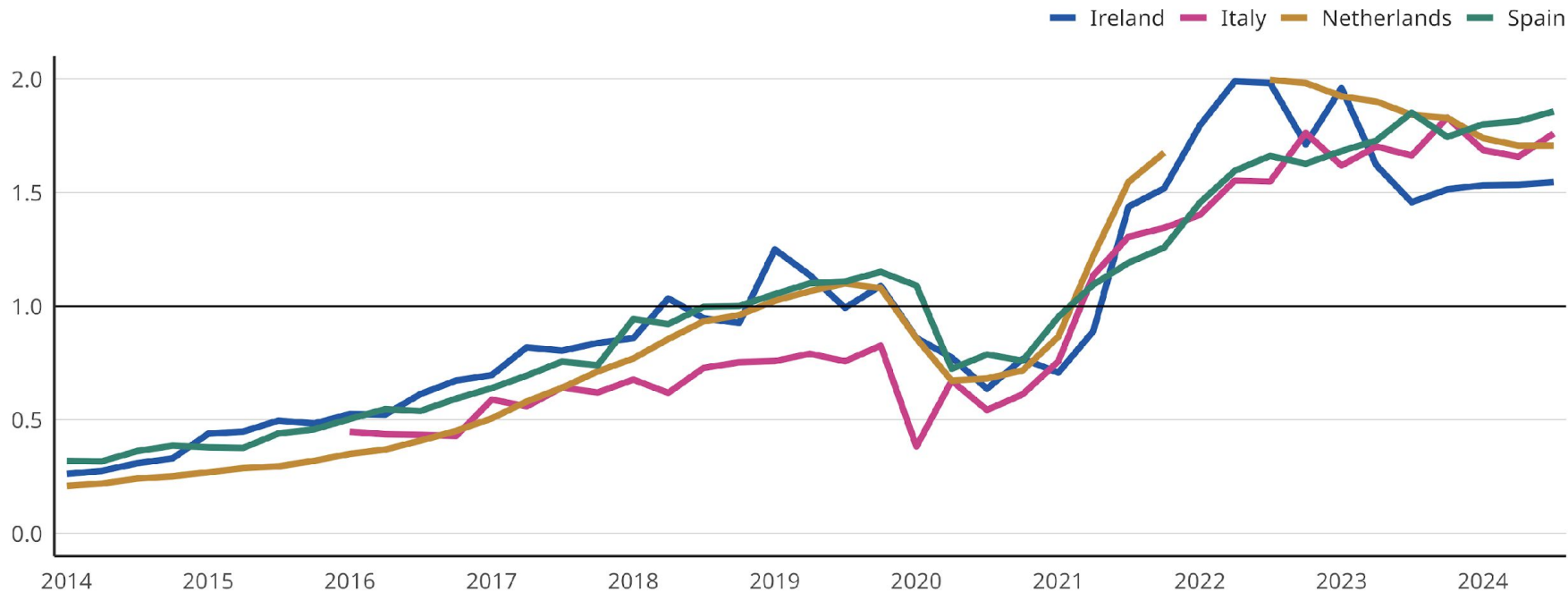


Sources: Eurostat (to Q3 2024), ONS (to Q3 2024). Tightness is normalised to its mean over the observed period. Unemployment among ages 15-74 (UK: 16-64). Vacancies from Eurostat refer to NACE-Rev.2 sectors B-S. Missing value in French vacancy data for Q1 2020.



Labour market tightness is still above its long-term average in several European economies

Vacancies per unemployment, normalised to their long-term mean, seasonally adjusted data



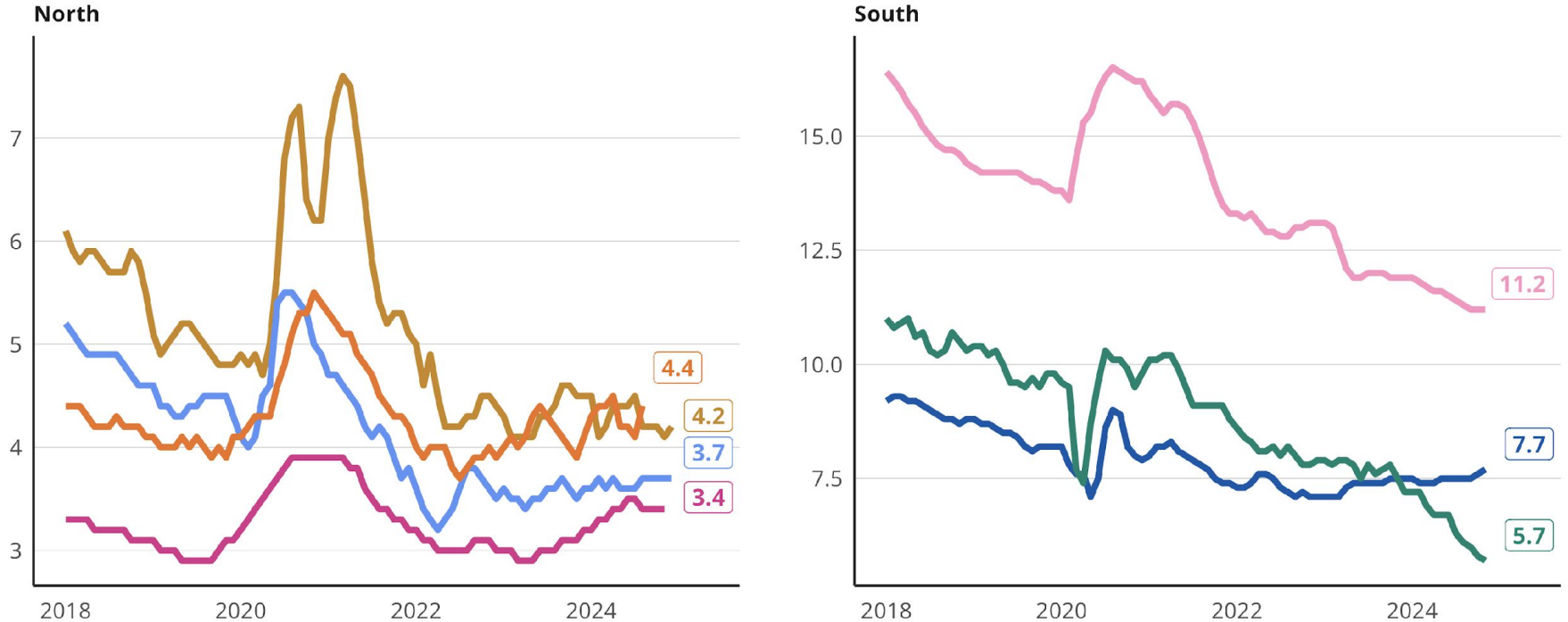
Sources: Eurostat (to Q3 2024). Tightness is normalised to its mean over the observed period. Unemployment among ages 15-74 (Spain: 16-74). Vacancies refer to NACE-Rev.2 sectors B-S. For Italy, the number of vacancies is approximated by the vacancy rate referring to sectors B-S except O.



Unemployment Rates are slowly rising in some countries

Unemployment, in % of the labour force, Europe, Jan 2019 - Dec 2024

— France — Germany — Ireland — Italy — Netherlands — Spain — United Kingdom

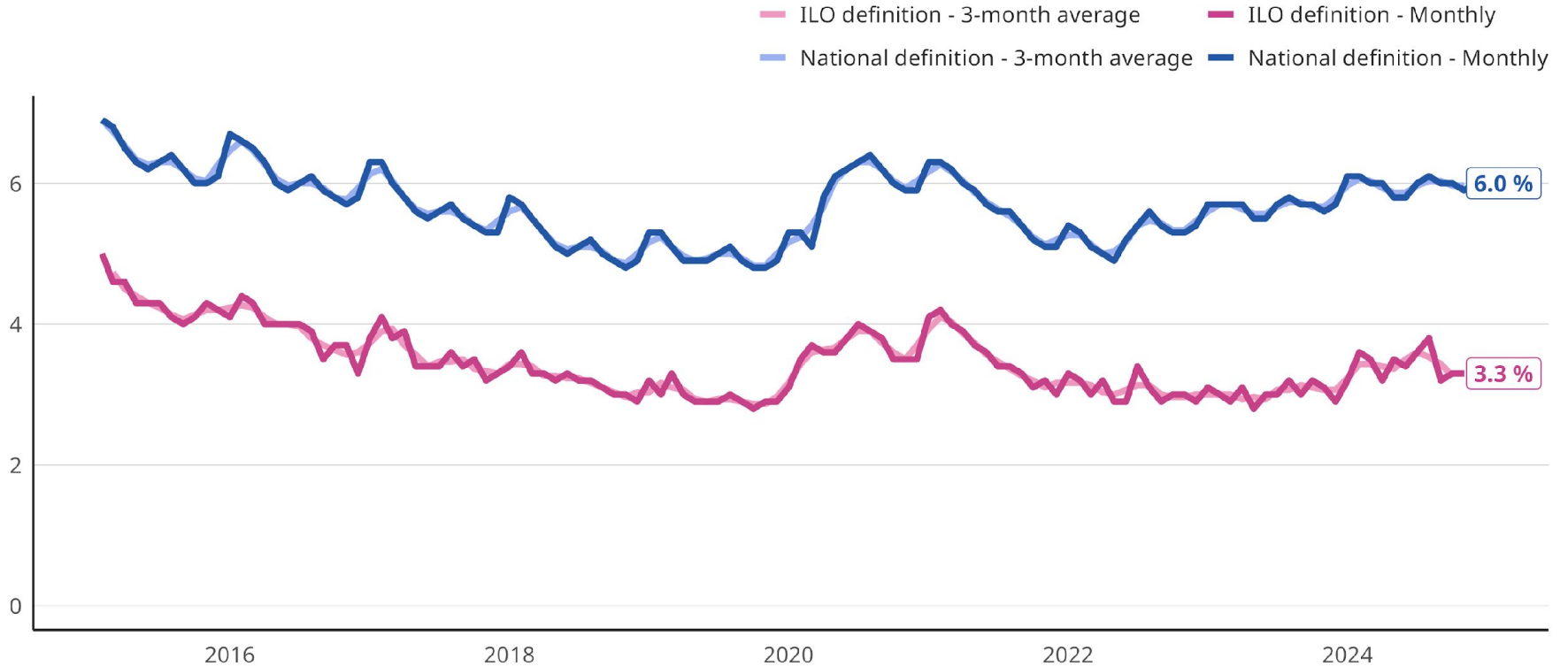


Sources: Eurostat, ONS. Seasonally adjusted unemployment rate among ages 15-74. ONS data refers to ages 16-64, latest data: Aug 2024.



Unemployment in Germany keeps slowly rising

Unemployment, in % of the civilian labour force, Europe, January 2015 - December 2024

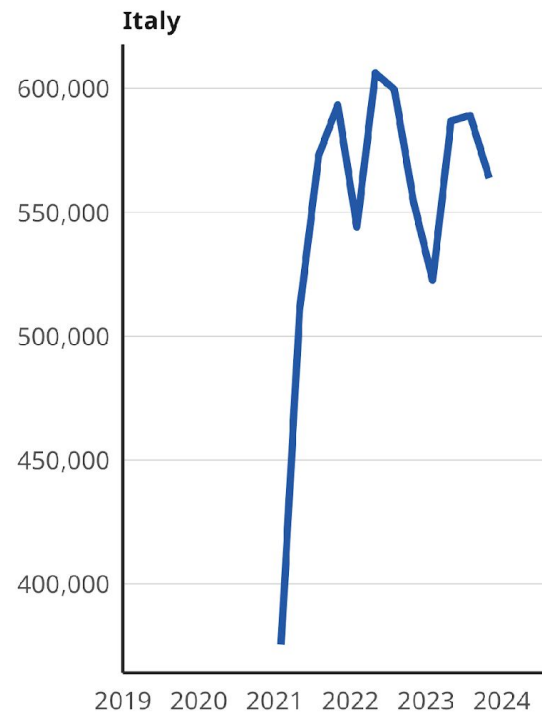
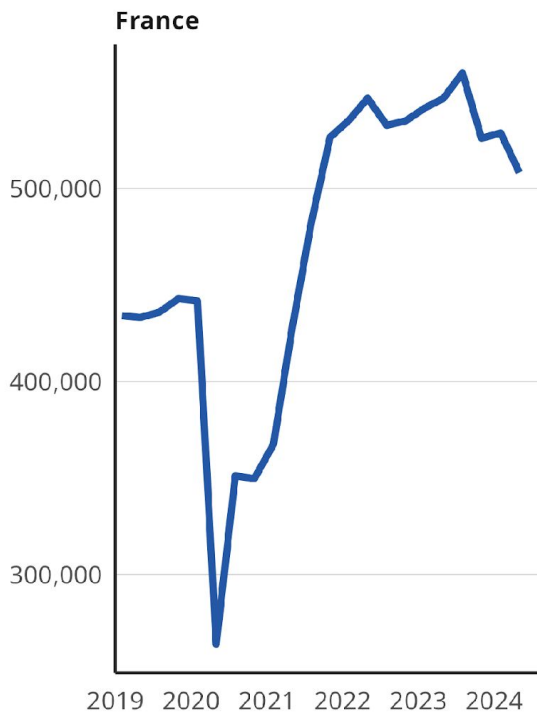
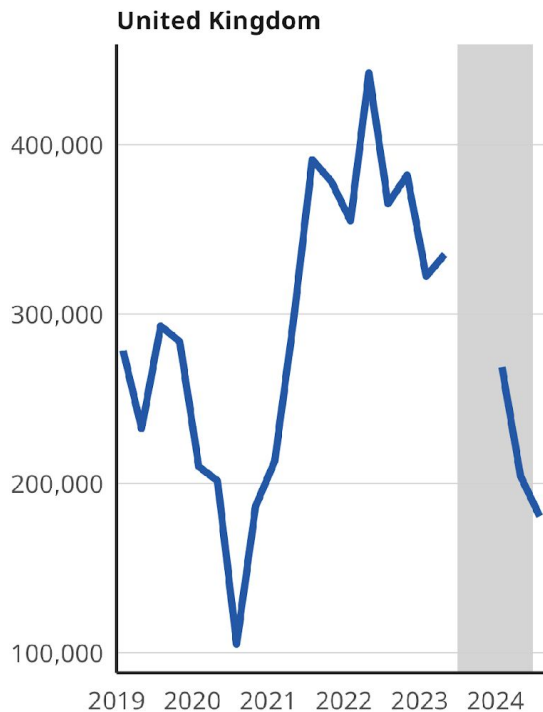


Sources: Eurostat (ages 15-74, to November 2024), Destatis (ages 15-65, to December 2024). Centered moving average.



Resignations are down from their peaks

Number of quits by country

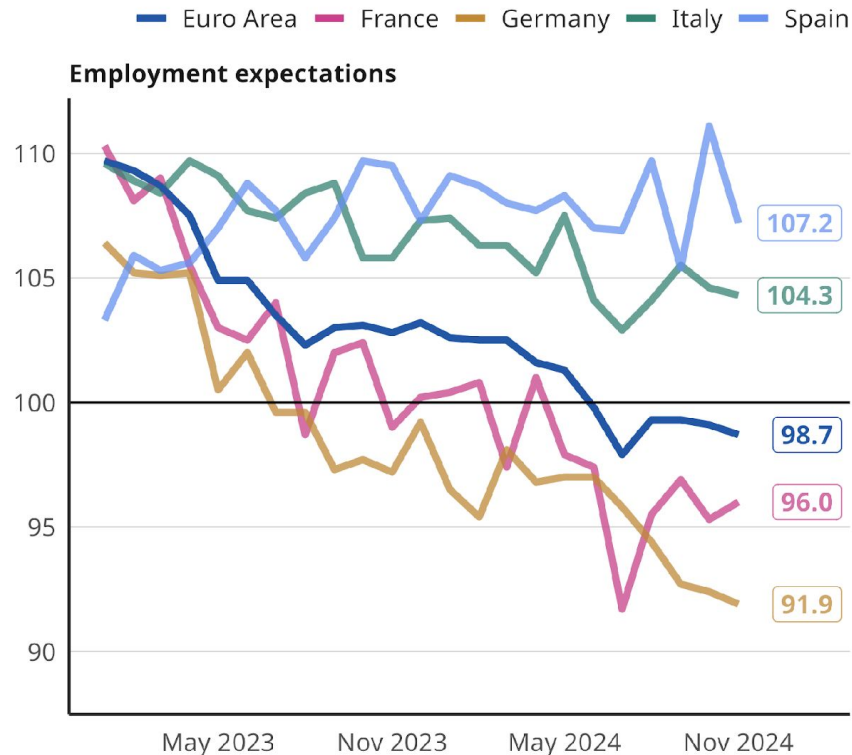
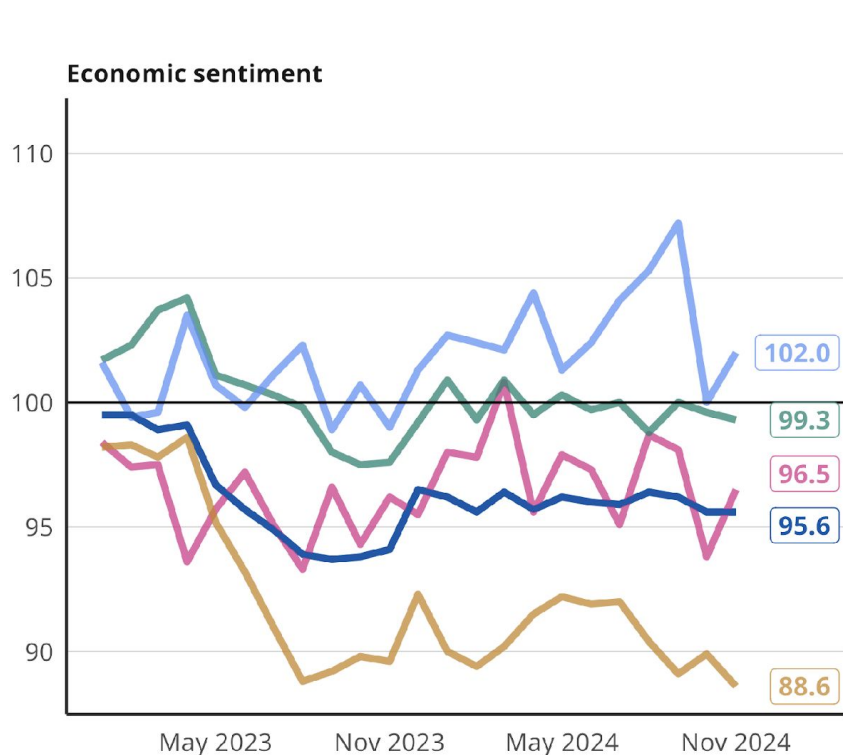


Sources: ONS (United Kingdom, LFS data quality issues in 2023-2024, to 2024-Q3), DARES (France, administrative data, including authorized early terminations of fixed-term contracts, to 2024-Q2), Ministry of Labour and Social Policies (Italy, administrative data available 2021-2023, to 2023-Q4).



Employment expectations are declining in the Euro Area

Index (long-term average = 100), monthly data, to Nov 2024



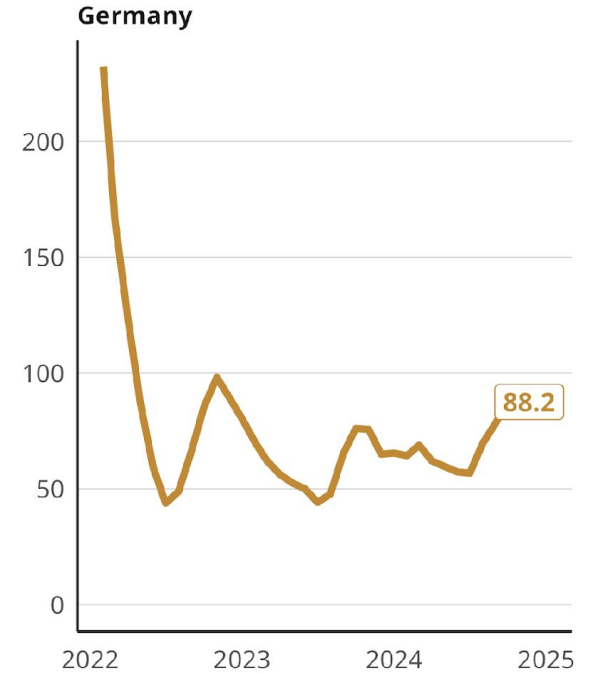
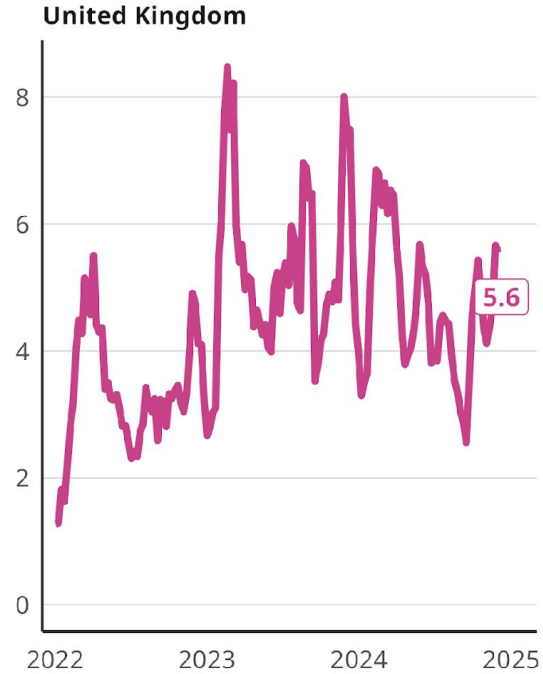
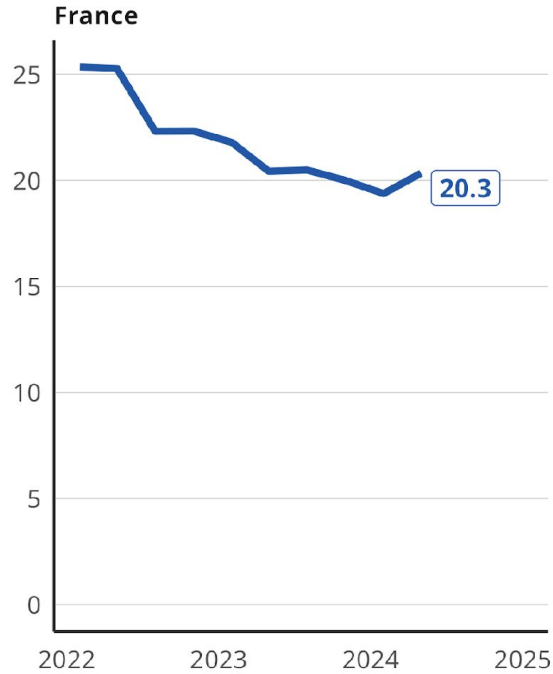
Source: Business and Consumer Survey, European Commission. Seasonal adjustment long-term averages calculated by the publisher.



Workforce adjustments remain at a low level

Measures of redundancy, in 1000s

— Layoffs ('licenciements économiques') — Notified potential redundancies — Number of short-time workers (notifications)

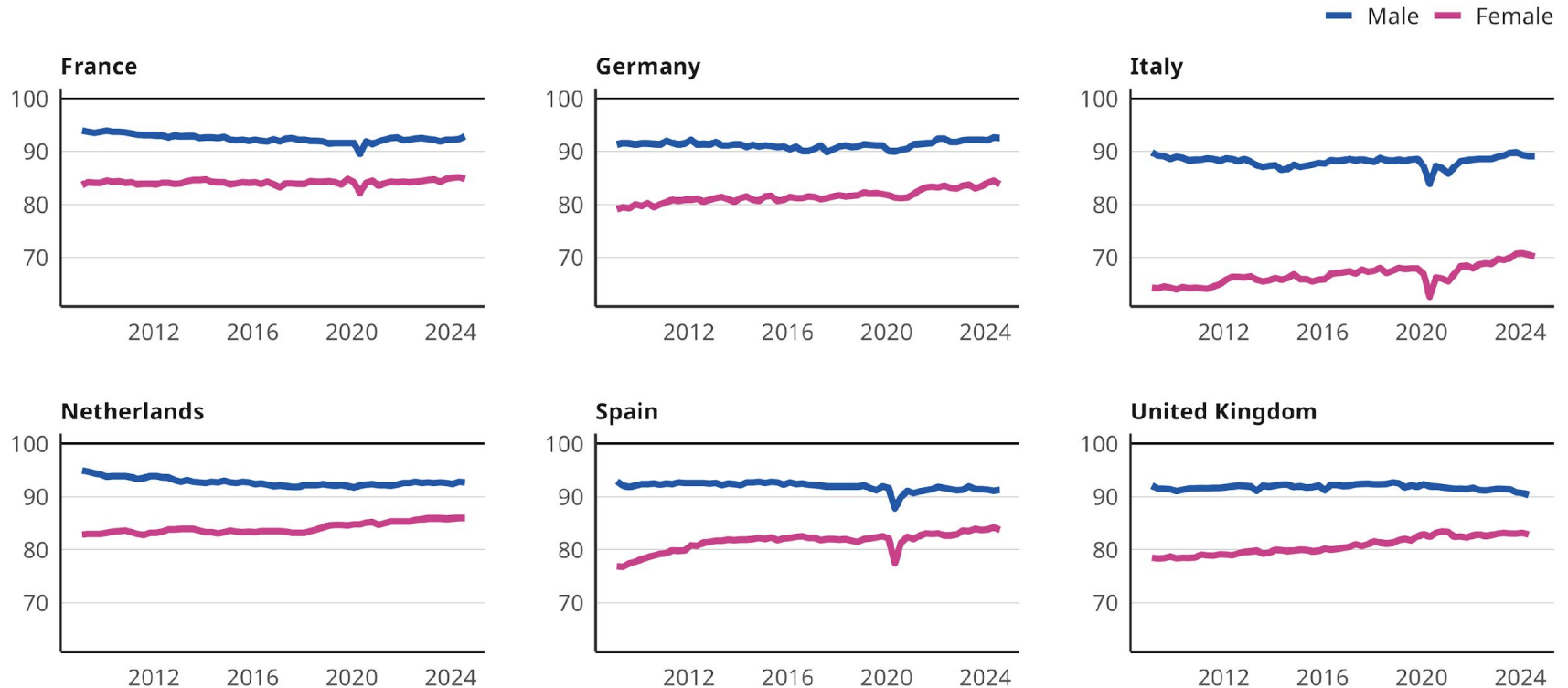


Sources: ONS (UK, 4-week average of weekly data, to Dec 2024), DARES (France, quarterly data, s.a., to Q2 2024), Bundesagentur für Arbeit (Germany, three-month moving average, to Oct 2024).



Women's Labour force participation is slowly catching up to men's

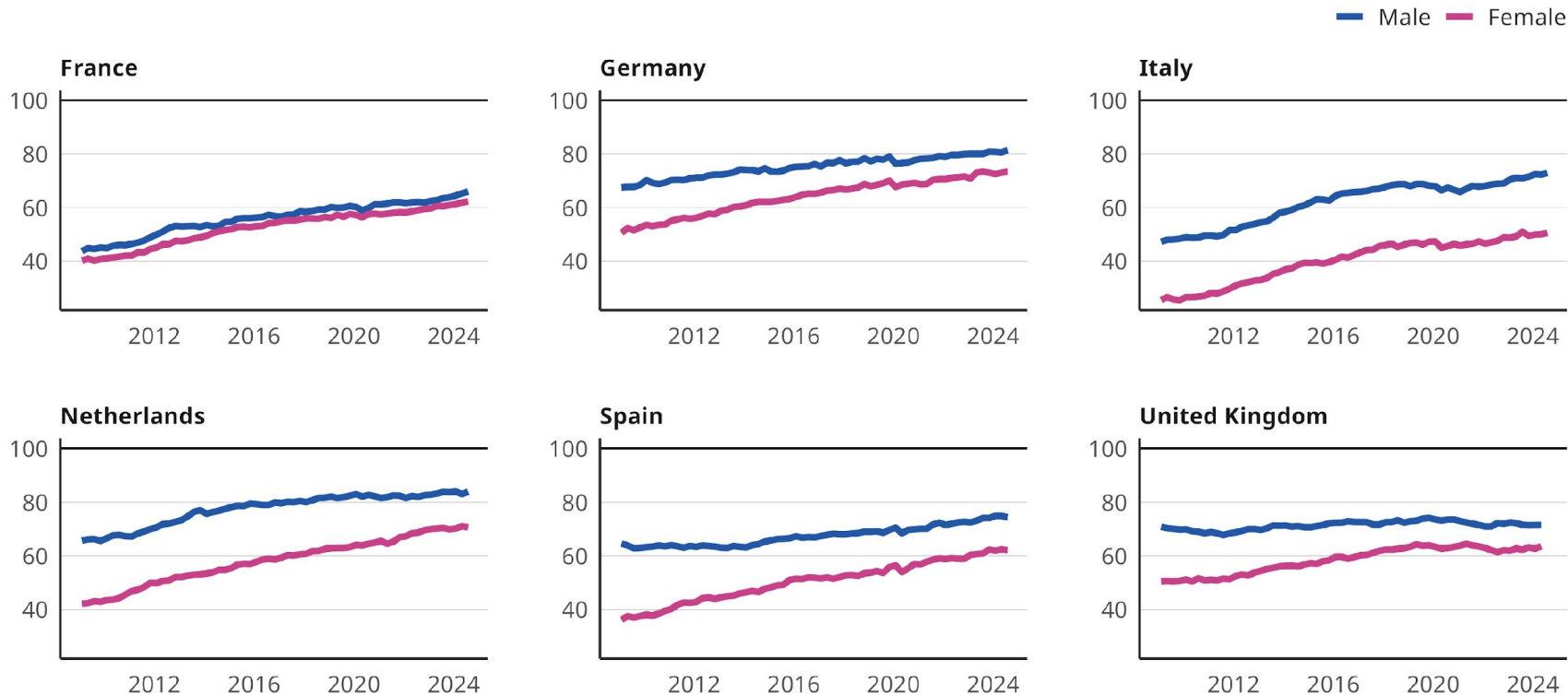
Labour force participation rate by gender, in percent of the population aged 25-54, to Q3 2024



Sources: ILOSTAT (UK, to Q2 2024), Eurostat (EU countries, to Q3 2024). Seasonally adjusted.

Older workers participate at increasing rates with strong cross-country differences

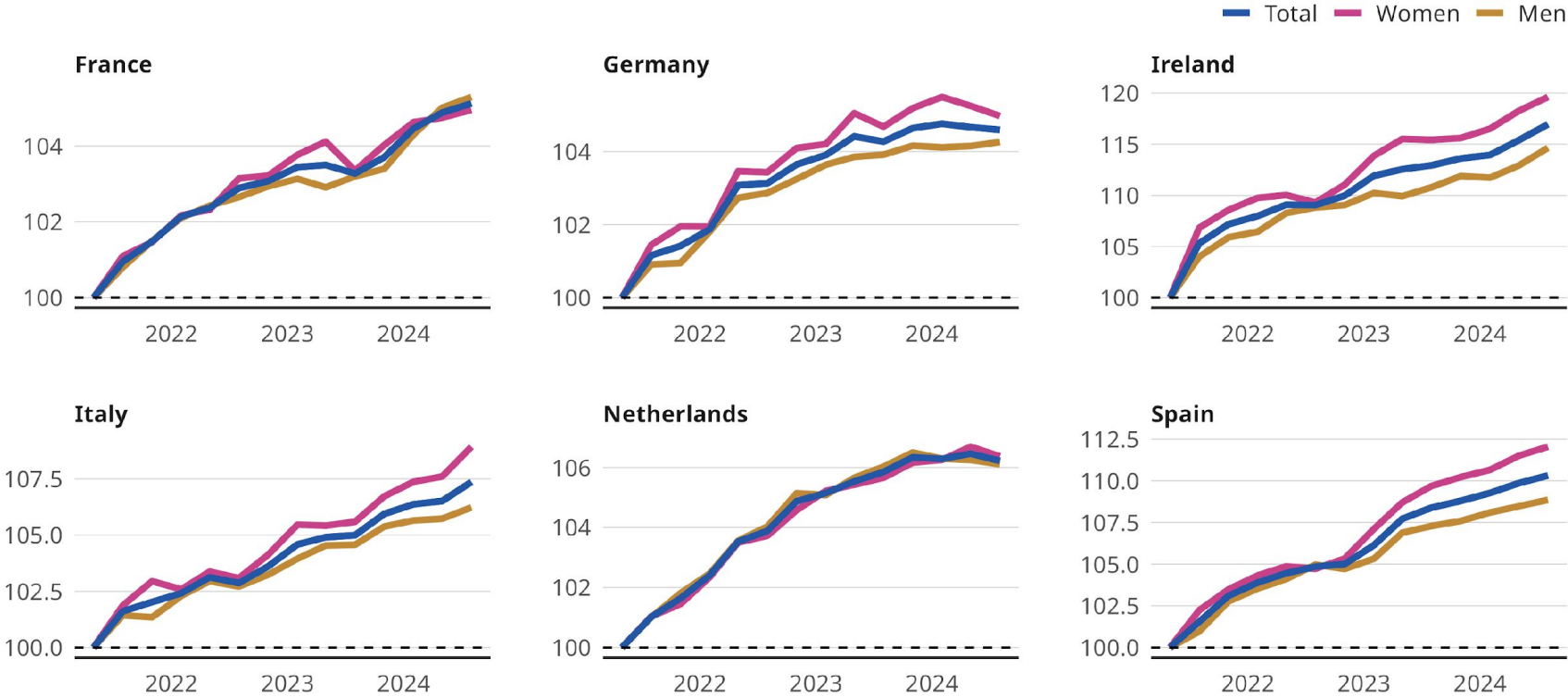
Labour force participation rate by gender, in percent of the population aged 55-64, Q1 2009 to Q3 2024



Sources: ILOSTAT (UK, to Q2 2024), Eurostat (EU countries, to Q3 2024). Seasonally adjusted.

Women's Employment Growth Outpaces Men's in Multiple Countries

Index 2021-Q2 = 100, to 2024-Q3

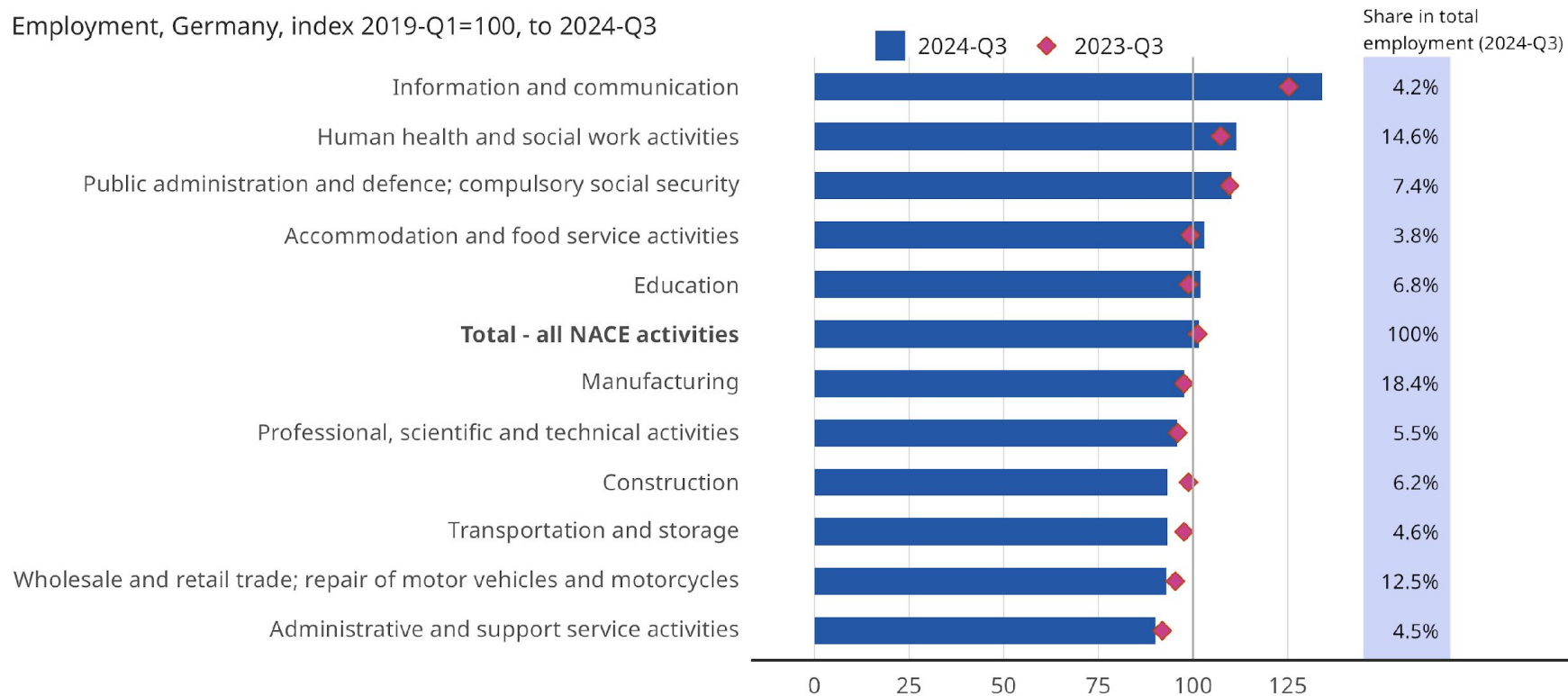


Source: Eurostat Employment (lfsq_egan2 s.a., ages 15-74) to 2024-Q3.



Employment increases in Information & Communication and sectors providing essential societal services

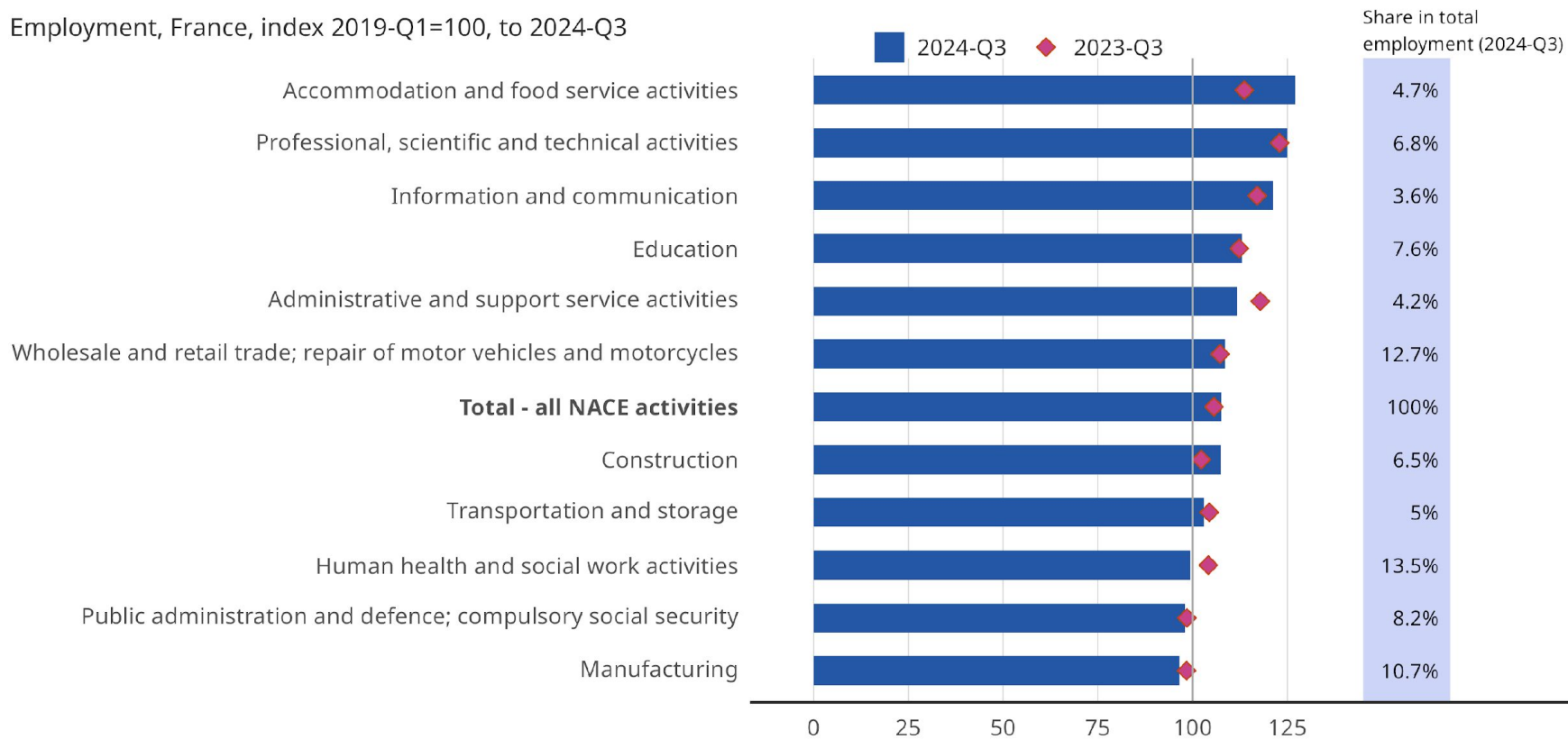
Employment, Germany, index 2019-Q1=100, to 2024-Q3



Source: Eurostat. Unadjusted series, ages 15-74.

French knowledge economy sees rising employment figures

Employment, France, index 2019-Q1=100, to 2024-Q3



Source: Eurostat. Unadjusted series, ages 15-74.

Posted wage growth is still robust but down from peaks

Y-o-y growth in posted wages, to Dec 2024

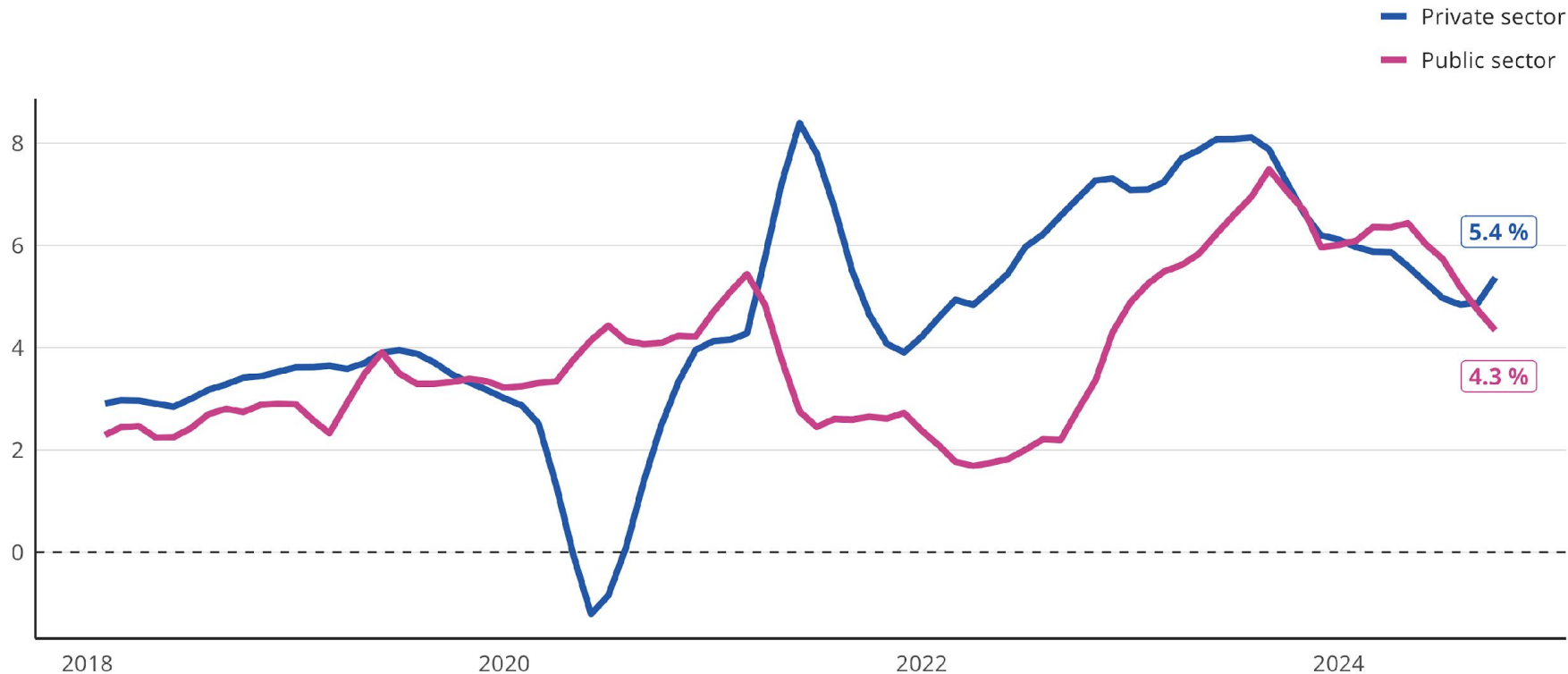


Source: Indeed Wage Tracker



United Kingdom: growth in average weekly earnings remains strong

Year-on-year growth rates in regular pay, seasonally adjusted, to October 2024



Source: ONS.

→ hiringlab.org

→ data.indeed.com